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Chairman:	Mr. SENGWE	(Zimbabwe)
later:	Mr. ALOM (Vice-Chairman)	(Bangladesh)
later:	Mr. SENGWE (Chairman)	(Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.10 a.m.

AGENDA ITEM 115: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that no real change had occurred in the financial picture for the last two years. A bad financial situation had persisted and ossified. At any time during the past two years, a total of one year's assessment had remained uncollected; over the same period, debts to Member States had hovered around the $900 million mark. Until there was a change in the amounts of uncollected assessments there could not be any change in the amounts owed to Member States.

2. As of 30 April 1997, a total of $637 million of the regular budget had been collected, slightly more than half of the 1997 assessment bill, compared to $595 million in 1996 and $584 million in 1995. There had actually been a decline in the number of Member States paying current year assessments in full. Only 54 Member States had paid in full by 30 April, compared with 56 in 1996 and 39 in 1995. The increased amount collected was largely due to arrearage payments and partial payments.

3. The largest regular budget contributions received by 30 April 1997 ranged from a contribution of $100 million from the United States of America to $7.7 million by Denmark. A number of sizeable payments had also been received since 30 April. Japan had paid the balance of its 1997 contribution on 7 May. Full payment of $45.5 million had been received from the Russian Federation in May.

4. On a month-by-month basis, collections already made in 1997 had outpaced collections made during the comparable period in 1995 and 1996. The current year's collections were expected to slow down during the third and fourth quarters. For the full year, the Secretariat estimated regular budget cash collections of $1.2 billion compared with $1.2 billion in 1996 and $1.1 billion in 1995.

5. At the end of April, the usable cash balance of the General Fund (the regular budget and related reserve funds) totalled $92 million - less than the amount needed for one month of regular budget expenditures, but still better than at the end of April 1996 when cash balances were only just over $7 million.

6. In March, he had indicated that preliminary regular budget projections for 1997 had forecast a return to deep negative cash amounts later in the year and that the pattern for 1997 would be similar to that of 1996.

7. Current projections had not changed the overall pattern, but they were slightly more encouraging. Having reviewed the earlier projections for income and expenditures, it was currently envisaged that the Organization would be in a negative position for four months, with a maximum level of borrowing of $275 million at the end of November and an end-of-year negative balance of $201 million.

8. The month-by-month cash balance projection for 1997 showed a rapid decline into a negative cash position at the end of the year, a picture which had characterized all recent forecasts. The current forecast reflected experiences during the first four months of the year and was based on some adjustments of both income and expenditure assumptions for the balance of 1997. Those projections were based on informal contacts and past payment patterns and depended crucially on the receipt of contributions from a number of Member States.

9. Usable peacekeeping cash at the end of April amounted to $989 million, an amount higher than the $874 million on hand at the beginning of the year. That was due mainly to early and large inflows of assessed contributions, including $197 million in April. To date in 1997 no significant payments had been made to troop and equipment contributors. When such payments were initiated, however, prospects for the balance of 1997 would be much less favourable.

10. Cash flow forecasts for peacekeeping operations were much more difficult to make than those for the regular budget. The timing and amount of peacekeeping assessments and the resultant effect on the predictability of receipts were much more volatile than was the case with the regular budget. In particular, payment projections for the major contributors in 1997 were based on the previous year's pattern and there was no firm indication of what payments could be expected from the major contributors.

11. The level of assessments was based on the budget estimates of peacekeeping operations or the known recommendations of the Advisory Committee on Administrative and Budgetary Questions. It had been assumed that there would only be one assessment for each mission through to the end of the year. Should there be several assessments approved for shorter periods, the normal lags in payments would probably cause lower receipts in 1997 than currently projected.

12. Peacekeeping disbursements were currently expected to exceed receipts in six of the coming eight months of 1997. For the whole year, it was projected that total disbursements would exceed receipts by $240 million. That projection reflected expenditures under the liquidation phase of several peacekeeping missions which were not balanced by corresponding assessments. It also reflected the application of some of the accumulated credits in respect of the unencumbered balances of peacekeeping missions, the application of which had been delayed earlier by the General Assembly.

13. With regard to payments to troop and equipment providers, the peacekeeping projections reflected the currently estimated total disbursements of $266 million for 1997 for troop reimbursements. That aggregate amount would be paid in instalments.

14. Projections of 1997 year-end amounts were based overwhelmingly on the most realistic assumptions and judgements that could currently be made. But they remained assumptions and judgements. With that reservation, peacekeeping cash was projected to fall to $634 million by the end of 1997. That figure compared with estimated amounts owing of $829 million to Member States, a gap of almost $200 million. The gap had closed in 1996 when the Russian Federation had paid down $200 million in arrearage. It had widened again in 1997.

15. He reminded the Committee that the practice of keeping afloat by delaying payments to troop and equipment providers was not only an inherently unsound financial practice, but was also unsustainable as the level of peacekeeping assessments declined. Based on the assumptions which he had just outlined, the Organization's combined cash position was forecast at $433 million, which would cover barely two months of expenditure at average monthly rates currently projected for 1997. The combined cash position would reflect a regular budget cash deficit of $201 million and a peacekeeping positive balance of $634 million.

16. With no reserves and no capital to shore the Organization up, the precarious financial situation would become even more unstable. The Organization's precarious financial situation came down to the question of arrears. The United Nations was totally dependent on the prompt payment of assessments for its financial health. At the end of April, prior years' outstanding contributions for peacekeeping totalled $1.4 billion. Of that amount, major contributors owed $1.261 billion or 88 per cent, with the largest contributor owing the largest amount at $839 million. Regular budget arrears followed the same pattern. Of the 15 major contributors, only three had an arrears position as at 30 April 1997. The combined amount for the other 170 Member States totalled $67 million or just 19 per cent of the total.

17. The non-payment of outstanding contributions was jeopardizing the financial health of the Organization, especially as receipts for peacekeeping accounts declined. The financial health of the United Nations was deteriorating. With diminishing peacekeeping assessments, ageing unpaid assessments, and a question mark hanging over collectability in the near future, the Organization might not be able to survive another year.

18. Ms. PEÑA (Mexico) said that when the Under-Secretary-General's remarks were made available as an official document, the recent substantial payments by Japan and the Russian Federation should be prominently reflected therein. In addition, the Secretariat should provide a list of the countries to which the United Nations owed money for troops and equipment. She reiterated her request that the programme performance report on the impact of approved savings measures be made available as soon as possible, as stipulated in Part II, paragraph 11, of General Assembly resolution 50/214.

19. Mr. WATANABE (Japan) said that when the information provided by the Under-Secretary-General was issued as an official document, it should show that Japan had paid all of its assessed contributions for 1997.

20. Mr. CONNOR (Under-Secretary-General for Administration and Management), responding to a question from Mr. FARID (Saudi Arabia), said that there was no scientific basis for predicting likely cash inflows. The Secretariat's predictions were based on judgement, past experience, and information gleaned from informal telephone contacts. Although its predictions were usually accurate, the Secretariat was constantly surprised when payments arrived unexpectedly or when promised payments failed to materialize. He had made special mention of the substantial payments received from Japan and the Russian Federation since the cut-off date for his report. Given that the cut-off date had to fall somewhere, the most he could do was to refer specifically to those

payments without recalculating and readjusting the rest of the data. A list of countries owed money for troop and equipment contributions was freely available. On the question of the programme performance report requested in Part II, paragraph 11, of resolution 50/214, he apologized for the delay and assured the Committee that it would be issued very shortly.

21. Ms. RODRÍGUEZ ABASCAL (Cuba) noting that the programme performance report on the impact of approved savings measures had been requested at the fiftieth and fifty-first sessions of the General Assembly, said that the Secretariat should explain why the document had not been prepared.

22. Mr. RAMLAL (Trinidad and Tobago) said that the Under-Secretary-General's presentation had referred to one contributor as paying off arrears whereas all other contributors were described as making full or partial payment for the year in question. The Secretariat should clarify the time period to which the arrears related. Moreover, countries which were current with their contributions should be recognized as such; it should also be recorded that although some countries were in arrears, they were committed to paying off those arrears without imposing conditions.

23. Mr. GREIVER (Uruguay) said that the substantial savings which the Organization was planning to make in 1997 should be used to reimburse troop-contributing countries. The Secretariat should indicate whether the amount earmarked for reimbursement to troop-contributing countries in 1997 included any of those projected savings.

24. Mr. CONNOR (Under-Secretary-General for Administration and Management), responding to a question from Mr. SOAL (South Africa), said that he, too, had read the article alleging that the United States of America was seeking to impose further conditions on the payment of its arrears to the United Nations. While no mention had been made of the amount of the payment, in his judgement, the greater the number of conditions, the slower the payment.

25. Speaking frankly, he said that his office had experienced a shock in preparing the forecast for the current period, in that the application of credits had resulted in a drastic discrepancy between cash income and cash outflow on peacekeeping operations. Another shock had resulted from the preparation of the report to the Advisory Committee on Administrative and Budgetary Questions on the level of assessments for peacekeeping, which would be around $1.1 billion for 1997; the prospect of further curtailment of peacekeeping assessments was very real. The Organization would cease to function if it ran out of sources of cash to borrow, or if it paid down its debt in the absence of major payments of regular budget arrears; that prospect was now closer than before.

26. He assured the representative of Cuba that he would endeavour to provide an answer on the performance report within the next few days.

27. Replying to the question raised by the representative of Trinidad and Tobago he said that the United States payment was labelled "arrearage", because that country was nearly two years behind in its contributions to the regular budget - its unpaid contributions totalled approximately $600 million.

Regardless of how a Member State described its payment, the Secretariat complied strictly with the General Assembly's instruction that any receipt should be applied to the longest-outstanding unpaid assessment. The daily and monthly announcements of which Member States had paid their contributions for the current year in full implied that those States had paid in full for every other year as well.

28. The projected payment of $266 million under the peacekeeping budget for troops and contingent-owned equipment represented a strict liquidation of debt, not savings. The Administration had decided that it would make every effort not to increase the arrears on current obligations for peacekeeping troops and equipment; it would pay out whatever amounts it received.

29. In sum, the Organization's debt to Member States was the source of its financing. That debt could not be extinguished unless the United Nations collected its one receivable - a receivable characterized largely by the words "in arrears". Until the arrears were paid, the Organization could not reimburse Member States for contingent-owned equipment.

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/C.5/51/49 and A/51/893)

30. The CHAIRMAN drew attention to a letter from the President of the General Assembly addressed to himself (the Chairman) (A/C.5/51/49), transmitting a letter from the Secretary-General addressed to the President of the General Assembly (A/51/893) whereby the Secretary-General requested the General Assembly to confirm his understanding that the provisions of paragraph 26 of Section III.B of General Assembly resolution 51/226 were not meant to be applied retroactively.

31. Ms. PEÑA (Mexico) said that it might be wise to transmit to the President of the General Assembly and the Secretary-General a letter reaffirming the resolution as adopted.

32. Ms. RODRÍGUEZ ABASCAL (Cuba) supported the suggestion, adding that the meaning of the resolution was not open to interpretation. She failed to understand why the Secretary-General thought it necessary to ensure that the provisions of the resolution were not applied retroactively and asked whether there had been any instances in which a General Assembly resolution had been implemented retroactively.

33. Mr. MOKTEFI (Algeria) agreed, saying that the issue of retroactivity did not arise, as the resolution in question had become effective on the date of its adoption, on 3 April 1997.

34. Mr. CONNOR (Under-Secretary-General for Administration and Management) emphasized, that the Secretary-General wished to comply with the provisions seeking to put an end to the practice of "back door" recruitment and that he would be pleased to know that the tenor of the current meeting supported his interpretation of the objective of General Assembly resolution 51/226.

35. Mr. HANSON-HALL (Ghana) asked whether paragraph 27 of General Assembly resolution 51/226 also applied to Headquarters staff, or only to staff serving in the field.

36. Mr. ABELIAN (Armenia) said that it would be helpful to know on what basis 31 July 1997 had been selected as the deadline for extension of contracts expiring before that date. In the case of an individual whose contract expired in April, the Secretariat would not be able to fill the post through normal recruitment processes, which took at least six months. He wondered whether it would be possible for the Secretariat to extend the short-term contract up to the time when the Secretary-General would be able to appoint the individual concerned through normal procedures, since paragraph 26, section III.B, did not bar such action by the Secretariat.

37. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that he wished to clarify the issue of retroactivity. He had been advised by the Legal Counsel that serious legal difficulties would result from the application of paragraph 26, section III.B, to staff members who had been recruited through the only means available at the time of their recruitment since, to do so, would be to treat staff retroactively as though they had been improperly recruited when, in fact, they had been properly recruited for support-account posts. Such action would clearly violate the rights of the staff members concerned, who were entitled, under staff regulation 4.4, to be considered for United Nations posts and to compete with other external candidates. Retroactive application of legislative provisions was always viewed with great disfavour by the Administrative Tribunal; moreover, it was contrary to staff regulation 12.1, which provided that staff regulations could be supplemented or amended by the General Assembly without prejudice to the acquired rights of staff members.

38. The Secretary-General had indicated his intention to implement paragraph 26, section III.B, of the resolution prospectively to staff members who would be recruited after 3 April 1997 to serve against support-account posts or posts in the international criminal tribunals. Such action did not constitute retroactive implementation of the resolution. It would, however, have a retroactive impact on persons who had joined the Organization in previous years under the existing arrangements for support-account hiring.

39. With regard to the question raised by the representative of Ghana, the General Assembly had, indeed, intended that paragraph 27 should apply to field assignments only.

40. As to the question raised by the representative of Armenia, the deadline of 31 July had been established to give staff members already on board whose contracts were due to expire in May or June a minimum reasonable period of continuing employment. On the question of whether short-term contracts could be further extended to fill vacancies arising from their expiry, that would not be in keeping with the General Assembly's intention, which had been that the Office of Human Resources Management should endeavour to fill the posts through normal procedures.

41. Mr. STÖCKL (Germany) said that, while he understood the legal concerns expressed by the representative of the Secretariat, the Administration had an obligation to explain why the situation had not been rectified after 7 June 1996, when the General Assembly, in its resolution 50/221 B, had decided that support-account posts would be available for one year or more. During the period of 10 months between that date and 3 April 1997, proper recruitment procedures, including vacancy announcements, could have been applied. The current difficulties faced by the Administration and the Department of Peacekeeping Operations were of their own making.

42. As to the question of retroactivity, it was his understanding that as from 3 April 1997, applicants on short-term contracts would no longer have any advantages over other external candidates. The General Assembly had intended to put a stop to situations like the one described by the Assistant Secretary-General for Human Resources Management, in which over 75 per cent of a certain number of P-3 posts advertised had been awarded to those occupying the posts on short-term contracts. The Secretariat should explain to what extent the commitments made to short-term recruits affected the expectations of external candidates who saw a vacancy announcement and assumed that the recruitment process was an open one. While supporting the notion of a grace period. he believed that a date earlier than 31 July should have been selected.

43. Mr. HANSON (Canada) said that the issues raised by the Secretary-General deserved serious consideration. It could not have been the intention of the General Assembly to establish a penalty with retroactive effect. Since it was his understanding that the Office of Legal Affairs had rendered an opinion on the subject, it might be helpful if the Committee could hear what that opinion was directly from that Office.

44. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management), replying to the questions raised by the representative of Germany, said that the Department of Peacekeeping Operations and other departments were in the process of filling the support-account posts through normal procedures. Criticisms of the recruitment process had been voiced both within and outside the Organization; the process was seen as lengthy and bureaucratic. It should be kept in mind, however, that the Organization took the hiring of new staff members, who were recruited on the basis of career appointments for a period of 20 years or more, very seriously. Member States were given up to two months to find candidates for vacancies that were advertised externally. The credentials and references of such candidates must be checked carefully, both by the Office of Human Resources Management and by the departments concerned. While that process could take several months, it was time well spent. Mistakes could be costly, both in terms of the compensation that would need to be paid and of the time spent on proceedings before the Joint Appeals Board, the Administrative Tribunal, and so on. Thus, the process was lengthy, but deservedly so, in view of the need to respect job descriptions, International Civil Service Commission (ICSC) standards, and the requirements of Member States and of the Secretary-General for a level of quality that met the criteria of the Charter of the United Nations. Before the steps referred to by the representative of Germany could be implemented, his office had required a full description of the functions to be carried out, a classification of those functions in accordance with ICSC standards, the issuance of a vacancy announcement for each post and

the consideration of applications by the relevant appointment bodies. That process had not been completed by 3 April.

45. Finally, he endorsed the suggestion that the Office of Legal Affairs should convey directly to the Committee any concerns that it might have regarding the impact of the resolution on existing staff.

46. Mr. MARRERO (United States of America) proposed that the matter should be discussed in informal consultations. His delegation would need more time to examine the issue and to get guidance thereon from its authorities as well as from the United Nations Office of Legal Affairs.

47. Mr. STÖCKL (Germany) endorsed the proposal of the Canadian and United States delegations that the Legal Counsel should explain the legal implications of the relevant part of the resolution. The resolution would not be renegotiated. The resolution must be legally implemented. The legal explanation was necessary to ensure that the rights of staff were not violated and that the Secretary-General's action was legal.

48. The CHAIRMAN proposed that the Committee should adopt the following decision:

"The Fifth Committee,

"Decides to inform the Secretary-General that it has taken note of his letter addressed to the President of the General Assembly (A/51/893),

"Reiterates General Assembly resolution 51/226 of 3 April 1997,

"Requests the Secretary-General to implement the provisions of the resolution as adopted."

49. Ms. PEÑA (Mexico) said that her delegation could fully support the adoption of the draft decision as read out by the Chairman. Should there be a decision to hold informal consultations, such consultations should be on all the issues currently before the Committee, and not only on those of concern to certain countries.

50. Mr. HANSON (Canada) said that the draft decision should specify that the resolution should be implemented in accordance with the staff rules and regulations, which seemed to be the Secretary-General's main concern. While his delegation was agreeable to informal consultations, it did not believe that there was a question open before the Committee for a decision.

51. Ms. RODRÍGUEZ ABASCAL (Cuba) endorsed the statement of the representative of Germany and the Chairman's proposals. The Committee should not reopen the negotiations on General Assembly resolution 51/226. The Secretariat merely needed to implement what Member States had decided upon.

52. Mr. SULAIMAN (Syrian Arab Republic) expressed surprise that the Committee should be seeking a legal opinion after the resolution had been adopted. His delegation therefore endorsed the Chairman's proposal.

53. Mr. MADDENS (Belgium) said that his delegation was in favour of the Canadian delegation's amendment - to which should be added the words "and United Nations financial regulations" - especially if it helped to expedite the adoption of the Chairman's proposal. However, the request for more time in order to ponder the issue, should be granted.

54. Mr. SCHLESINGER (Austria), speaking as the former coordinator of informal consultations on agenda item 140, said that, at his request, a representative of the Secretariat had been present during the Committee's informal consultations to answer questions but had not been asked to comment on the outcome of the negotiations.

55. Mr. STÖCKL (Germany) supported the proposal of the representative of Belgium. The Committee should take note of the Secretary-General's letter, request him to implement the resolution as adopted in accordance with the financial rules and regulations as well as with the decisions or jurisprudence of the Administrative Tribunal.

56. Mr. MOKTEFI (Algeria) rejected the request for more time. There was only one way to interpret the resolution and his delegation would not agree to anything other than a simple statement by the Chairman reiterating the provisions of that resolution.

57. Mr. MADDENS (Belgium) said that while the implementation of the resolution should be reiterated, there was a letter from the Secretary-General to the President of the General Assembly which required an answer. The request by some delegations to be given a few hours in order to consider the proposals that would form the basis of the Committee's reply, should not be refused.

58. Mr. ABELIAN (Armenia) said that the request for time should be granted.

59. The CHAIRMAN suggested that, in order to give members of the Committee time to consult, further consideration of the issue should be postponed to the next meeting.

60. It was so decided.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/48/622, A/48/912, A/49/654, A/49/936, A/50/797, A/50/907, A/50/965, A/50/976, A/50/983, A/50/985, A/50/995, A/50/1009, A/50/1012, A/51/389, A/51/491, A/51/646, A/51/778, A/51/845, A/51/892; A/C.5/50/51, A/C.5/51/8, A/C.5/51/45 and A/C.5/51/48)

61. Mr. BLUKIS (Latvia), speaking on behalf of Estonia and Lithuania, endorsed the statement made at the previous meeting by the representative of the Netherlands on behalf of the European Union. Referring to paragraphs 7 and 8 of the Secretary-General's report on the Peacekeeping Reserve Fund (A/51/778), he noted that in view of the fact that the three Baltic States had not contributed any monies to the Fund, they did not claim to have a share in the Fund. Estonia, Lithuania and Latvia were requesting that they should be considered, in addition to the five Member States listed in paragraph 8 of the Secretary-General's report, as not having such a claim. They were ready to make a

proposal to the Assembly, on the appropriate occasion, on the method for determining their contribution to the Fund.

62. Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

63. Mr. Soong Chull SHIN (Republic of Korea) said that the draft decision set forth in paragraph 11 (b) of the report of the Secretary-General on the Peacekeeping Reserve Fund (A/51/778) seemed to mean that the five Member States referred to would not have a claim to a share in the Fund unless they were contributors. Paragraph 8 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/51/845), however, recommended that the General Assembly should decide that the five Member States should contribute to the Fund. It would be useful to have an indication as to whether his delegation's interpretation of paragraph 11 (b) was correct. Furthermore, paragraph (d) of General Assembly resolution 47/217 provided that the level of the Fund should be 150 million United States dollars, while paragraph (e) stated that Member States' shares of the Fund should remain fixed. Under those circumstances, if the five Member States contributed to the Fund, the level established would be exceeded. It appeared, therefore, that the five Member States in question would be unable to contribute to the Fund unless paragraphs (d) and (e) were altered accordingly. The Secretariat should clarify that issue also.

64. Mr. ZHANG Wanhai (China) said that the current system of paying death and disability compensation was discriminatory since the amounts paid ranged from more than $10,000 to over $600,000. Since the latter figure was over 60 times greater than the former, the practice that allowed such huge gaps should be stopped. He endorsed the statements made by the representatives of the United Republic of Tanzania and Colombia on behalf of the Group of 77 and China and of the Movement of Non-Aligned Countries, respectively. The system should be reformed to ensure equal treatment for all Member States, a standard compensation level should be applied to all cases, the payment of claims should be expedited and, in the interest of transparency, all Member States should be informed about how claims were handled.

65. As far as the management of assets for peacekeeping was concerned, he supported the testing of a management system in order to reduce waste. For example, more than 380 vehicles had been declared unusable and over 200 dismantled in the closing of a peacekeeping mission. The explanations that had been given were that those vehicles had been used for more than six years or that they had clocked over 100,000 miles. He wondered about the condition of those vehicles when they had first been purchased. The management of peacekeeping assets and procurement should be more closely linked and the management of the use of resources strengthened. In that connection, he wondered how resources were managed by peacekeeping missions and whether the Secretariat was taking measures to forestall further losses in future.

66. Mr. GREIVER (Uruguay) said that his delegation attached particular importance to the agenda item under consideration and fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries. Uruguay stressed the need to ensure

equal treatment for all contingents and the speedy settlement of claims for death and disability. The payment of such claims should be given a higher priority than the payment of other debts. The Committee should take a decision on that item at the current session.

67. Mr. ATIYANTO (Indonesia) said that his country attached great importance to agenda item 140 and felt that the Committee should take constructive action on the question of death and disability benefits and reform the procedures for determining reimbursement to Member States for contingent-owned equipment. Indonesia fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, concerning death and disability benefits and reaffirmed the fundamental principles for compensation for death and disability as set forth in the relevant General Assembly resolutions. Many claims submitted by Member States were still pending and should be settled as soon as possible.

68. Mr. ABDULLAH FAIZ (Malaysia) said that he fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, with regard to death and disability benefits. The discrimination in providing compensation for loss of life and injury was shameful and morally wrong and must be eliminated as soon as possible.

69. Mr. SAHA (India) said that there seemed to be a broad consensus on the question of death and disability benefits and that consideration should be given to drawing up a draft resolution at that stage.

70. Mr. BISTA (Nepal) said that his delegation supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, on the issue of death and disability compensation for contingent troop personnel serving in United Nations peacekeeping operations. Death and disability compensation should be based on the principle of equal treatment of all Member States. It was clear from the reports under consideration that the modality for administering the uniform and standardized rate of compensation was the United Nations administered self-insurance scheme. The current system of budgeting and accounting used for military observers seemed to have worked well. It could simply be extended to cover contingent troop personnel as well.

71. Mr. Sengwe (Zimbabwe) resumed the Chair.

72. Mr. ALOM (Bangladesh) said that his delegation fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, on the item under consideration. Bangladesh was deeply concerned about the current procedure for providing death and disability benefits and stressed the need to eliminate the use of unfair and discriminatory criteria in that regard. His delegation was prepared to work on draft proposals for implementing a new procedure for determining reimbursement to Member States. Moreover, the non-payment of contributions to United Nations

peacekeeping operations had an adverse impact on reimbursement to troop contributors, particularly least developed countries. The reimbursement process should be streamlined.

73. Mr. WATANABE (Japan) said that his country, which was an active participant in peacekeeping operations and the second largest contributor to their financing, felt that the Committee should focus its efforts on high priority issues in that area. Japan had noted the difficulties facing some Member States with regard to the procedures to be followed and the extent of the compensation offered and would like to participate in the consultations on that question so that concrete arrangements could be agreed upon. The bookkeeping system currently used for peacekeeping operations was highly unusual and complicated. It was hoped that a comprehensive system of bookkeeping for all peacekeeping operations could be established. His delegation reiterated its position regarding the scale of assessment for peacekeeping operations and could not accept the establishment of the ceiling at the level of 25 per cent, as proposed by one delegation at a previous meeting. Japan reserved the right to submit its own scale of assessment for peacekeeping operations.

74. Mr. YUSSUF (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, reiterated the position that the peacekeeping scale of assessment was distinct from the scale of assessment for the regular budget since peacekeeping involved heavy expenditures, which required a different method of apportionment. Various General Assembly resolutions adopted by consensus had laid down important guidelines for the peacekeeping scale of assessment. It was imperative to maintain the distinction between the regular budget and the peacekeeping budget in apportioning expenditures. The financing of peacekeeping operations must reflect the special responsibilities of the permanent members of the Security Council and should take into account the differences in the capacity to pay of the developed and developing countries.

75. The current ad hoc scale of assessments for peacekeeping had stood the test of time and should be institutionalized. The establishment of objective criteria for placing countries in the four groups used could be further examined. Such criteria should take into account a country's national income as well as other considerations, including its level of development and overall socio-economic situation. Proposals for fixing a premium or surcharge to be borne by members of the Security Council were not acceptable. The special scale for peacekeeping operations should be retained according to the established principle of "collective but differentiated" responsibility. The establishment of a ceiling and a floor for the permanent members of the Security Council was totally unacceptable because it was not in keeping with the principles and guidelines set forth in the relevant General Assembly resolutions.

76. Mr. HANSON-HALL (Ghana) said that his delegation supported the statements made by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, on the item under consideration. Death and disability benefits should be provided in a uniform and adequate manner. There seemed to be broad agreement in the Committee on the need to review the current procedures for providing compensation in order to establish a system based on fairness and equity.

77. Mr. ARMITAGE (Australia) said that his delegation supported the views expressed by Canada and New Zealand on the statement made by the representative of the United States of America the previous day regarding the special scale for peacekeeping operations. Australia had repeatedly called for a comprehensive review of the peacekeeping scale and continued to challenge the assertion that the scale had stood the test of time. On previous occasions, his delegation had identified various examples that clearly demonstrated that that assertion was not true. The proposal by the United States of America on the assessment scale for peacekeeping operations called for a measure that was not comprehensive in any way and sought to arbitrarily impose a preferred position. In other words, it was a form of self-assessment, which was counter to the accepted principles of capacity to pay and disregarded the authority of the General Assembly. Australia did not believe that that proposal would advance the Committee's consideration of the issue because it failed to answer the questions as to who paid and why. His delegation's position on ceilings with regard to scales of assessment was well-known and it would continue to view the proposal by the United States in that context.

The meeting rose at 1.05 p.m.